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E-FILED ON JUNE 23, 2006

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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

**Jointly Administered Under
 Case No. BK-S-06-10725 LBR**

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

**MONTHLY OPERATING REPORT FOR
 MAY 2006 (AFFECTS USA COMMERCIAL
 MORTGAGE COMPANY)**

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 05/31/06PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor)
Dollars reported in \$1

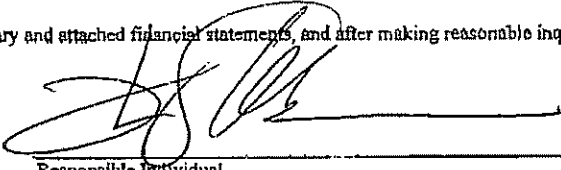
	End of Current Month	End of Prior Month	As of April 13, 2006
2. Asset and Liability Structure			
a. Current Assets	\$0		
b. Total Assets - See Note 2 below	\$0		
c. Current Liabilities	\$0	\$0	
d. Total Liabilities - See Note 2 below	\$0		
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$1,288,852		\$1,305,052
b. Total Disbursements	\$449,611		\$503,494
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$839,241	\$0	\$801,558
d. Cash Balance Beginning of Month	\$538,549		\$576,231
e. Cash Balance End of Month (c + d)	\$1,377,790	\$0	\$1,377,790
	Current Month	Prior Month	Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	\$0		
5. Account Receivables (Pre and Post Petition)	\$0		
6. Post-Petition Liabilities	\$0		
7. Past Due Post-Petition Account Payables (over 30 days)	\$0		

At the end of this reporting month:

- | | Yes | No |
|--|-----|----|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | | x |
| 13. Are a plan and disclosure statement on file? | | x |
| 14. Was there any post-petition borrowing during this reporting period? | | x |
15. Check if paid: Post-petition taxes ☐; U.S. Trustee Quarterly Fees ☐; Check if filing is current for: Post-petition tax reporting and tax returns: ☐
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: _____


Responsible Individual

STATEMENT OF OPERATIONS

SUBJECT TO EXTENSION

(General Business Case)For the Month Ended 05/31/06

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
		\$0	Revenues:		
		\$0	1 Gross Sales		
\$0	\$0	\$0	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$0	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$0	\$0
		\$0	6 Interest		
		\$0	7 Other Income: _____		
		\$0	8 _____		
		\$0	9 _____		
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest		
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$0	\$0	\$0	35 Total Expenses	\$0	\$0
\$0	\$0	\$0	36 Subtotal	\$0	\$0
		\$0	Reorganization Items:		
		\$0	37 Professional Fees		
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees		
		\$0	42 _____		
\$0	\$0	\$0	43 Total Reorganization Items	\$0	\$0
\$0	\$0		44 Net Profit (Loss) Before Federal & State Taxes	\$0	\$0
		\$0	45 Federal & State Income Taxes		
\$0	\$0	\$0	46 Net Profit (Loss)	\$0	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)

SUBJECT TO EXTENSION

For the Month Ended 05/31/06**Assets****From Schedules****Market Value****Current Assets**

1	Cash and cash equivalents - unrestricted		
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	Total Current Assets		\$0

Property and Equipment (Market Value)

10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$0

Other Assets

22	Loans to shareholders		
23	Loans to affiliates		
24	_____		
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$0
29	Total Assets		\$0

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

SUBJECT TO EXTENSION

Liabilities From Schedules**Post-Petition****Current Liabilities**

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: _____		
42	_____		
43	_____		
44	Total Current Liabilities		\$0

Long-Term Post-Petition Debt, Net of Current Portion

45			
46	Total Post-Petition Liabilities		\$0

Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$0
48	Priority unsecured claims	F	\$0
49	General unsecured claims - See Note 2 on Summary	F	
50	Total Pre-Petition Liabilities		\$0
51	Total Liabilities		\$0

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		
53	Capital Stock		
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		
56	Post-petition contributions/(distributions) or (draws)		
57	_____		
58	Market value adjustment		
59	Total Equity (Deficit)		\$0
60	Total Liabilities and Equity (Deficit)		\$0

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days			
61-90 Days			
91+ Days			
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

<u>Types and Amount of Inventory(ies)</u>	<u>Inventory(ies) Balance at End of Month</u>	<u>Cost of Goods Sold</u>
		Inventory Beginning of Month
		Add -
Retail/Restaurants -		Net purchase
Product for resale		Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale		Other:
Manufacturer -		
Raw Materials		
Work-in-progress		
Finished goods		
Other - Explain		
TOTAL	\$0	Cost of Goods Sold
		\$0

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
 Monthly _____
 Quarterly _____
 Semi-annually _____
 Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
 LIFO cost _____
 Lower of cost or market _____
 Retail method _____
 Other _____
 Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims - See Note 2 on Summary Page		

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank				
Account Type				
Account No.				
Account Purpose				
Balance, End of Month				
Total Funds on Hand for all Accounts	\$0			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 05/31/06**

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$1,091,092	\$1,107,292
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Management Fees from USA Capital Realty Advisors, LLC	\$195,273	\$195,273
8	Tax Refund	\$2,487	\$2,487
9			
10			
11			
12	Total Cash Receipts	\$1,288,852	\$1,305,052
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative	\$66,545	\$66,565
16	Capital Expenditures		
17	Principal Payments on Debt	\$150,292	\$150,292
18	Interest Paid	\$380	\$380
	Rent/Lease:		
19	Personal Property	\$2,169	\$2,169
20	Real Property	\$81,155	\$81,155
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)	\$107,479	\$161,342
27	Management Fees		
	Taxes:		
28	Employee Withholding	\$11,863	\$11,863
29	Employer Payroll Taxes	\$29,728	\$29,728
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33			
34			
35			
36			
37			
38	Total Cash Disbursements:	\$449,611	\$503,494
39	Net Increase (Decrease) in Cash	\$839,241	\$801,558
40	Cash Balance, Beginning of Period	\$538,549	\$576,231
41	Cash Balance, End of Period	\$1,377,790	\$1,377,790

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 05/31/06

		Actual	Cumulative
		<u>Current Month</u>	<u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$1,091,092	\$1,107,292
2	Rent/Leases Collected		
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses	\$66,545	\$66,565
	Cash Paid for Rents/Leases:		
7	Personal Property	\$2,169	\$2,169
8	Real Property	\$81,155	\$81,155
9	Cash Paid for Interest	\$380	\$380
10	Cash Paid for Net Payroll and Benefits	\$107,479	\$161,342
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$29,728	\$29,728
17	Employee Withholdings	\$11,863	\$11,863
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC	(\$195,273)	(\$195,273)
22	Tax Refund	(\$2,487)	(\$2,487)
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$989,533	\$951,850
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$989,533	\$951,850
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments	\$150,292	\$150,292
42			
43	Net Cash Provided (Used) by Financing Activities	(\$150,292)	(\$150,292)
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$839,241	\$801,558
45	Cash and Cash Equivalents at Beginning of Month	\$538,549	\$576,231
46	Cash and Cash Equivalents at End of Month	<u>\$1,377,790</u>	<u>\$1,377,790</u>

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 05/31/06

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		\$947
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$0	\$947
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	<u>Pre-Petition Check Cleared by Bank after Account Closed</u>		\$100,000
34			
35			
36			
37			
38	Total Cash Disbursements:	\$0	\$100,000
39	Net Increase (Decrease) in Cash	\$0	(\$99,053)
40	Cash Balance, Beginning of Period	\$1,877,080	\$1,976,133
41	Cash Balance, End of Period	<u>\$1,877,080</u>	<u>\$1,877,080</u>

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 05/31/06

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		\$947
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22			
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$99,053)
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$99,053)
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$99,053)
45	Cash and Cash Equivalents at Beginning of Month	\$1,877,080	\$1,976,133
46	Cash and Cash Equivalents at End of Month	<u>\$1,877,080</u>	<u>\$1,877,080</u>

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS****Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended** 05/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Cash Received - See Attachment A	\$55,419,444	\$63,447,353
8			
9			
10			
11			
12	Total Cash Receipts	\$55,419,444	\$63,447,353
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Extension Fees Collected on Behalf of Commercial Mortgage	\$182,550	\$182,550
34			
35			
36			
37			
38	Total Cash Disbursements:	\$182,550	\$182,550
39	Net Increase (Decrease) in Cash	\$55,236,895	\$63,264,803
40	Cash Balance, Beginning of Period	\$17,081,325	\$9,053,417
41	Cash Balance, End of Period	\$72,318,220	\$72,318,220

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 05/31/06

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Cash Received - See Attachment A	(\$55,419,444)	(\$63,447,353)
22	Extension Fees Collected on Behalf of Commercial Mortgage	\$182,550	\$182,550
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	<u>\$55,236,895</u>	<u>\$63,264,803</u>
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	<u>\$0</u>	<u>\$0</u>
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	<u>\$55,236,895</u>	<u>\$63,264,803</u>
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	<u>\$0</u>	<u>\$0</u>
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	<u>\$0</u>	<u>\$0</u>
44	Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$55,236,895</u>	<u>\$63,264,803</u>
45	Cash and Cash Equivalents at Beginning of Month	<u>\$17,081,325</u>	<u>\$9,053,417</u>
46	Cash and Cash Equivalents at End of Month	<u><u>\$72,318,220</u></u>	<u><u>\$72,318,220</u></u>

USA Commercial Mortgage Company - Collections Account
Attachment A
May 1, 2006 - May 31, 2006

Borrowers**Receipts**

3685 San Fernando Road Partners	\$ 85,750.00
5055 Collwood, LLC	114,248.54
5252 Orange, LLC	11,211.00
60th Street Venture, LLC	9,785.09
Amesbury/Hatters Point	966,251.08
Binford Medical Developers	81,412.50
Brookmere/Matteson \$27,050,000	34,552.61
Cabernet	76,250.00
Cloudbreak LV	39,583.33
ComVest Capital	44,687.50
Copper Sage Commerce Center, LLC	6,036.53
Cottonwood Hills, LLC	46,666.67
Del Valle - Livingston	195,888.07
Del Valle Isleton	6,603,604.23
Fiesta/Beaumont \$2.4m	25,000.00
Fiesta Murrieta	70,416.67
Fiesta Development \$6.6	71,500.00
Franklin - Stratford Investments, LLC	73,446.18
Glendale Tower Partners	75,833.33
Gramercy Court Condos	263,709.38
Hasley Canyon	75,000.00
HFA- Riviera 2nd	10,698,080.00
HFA- North Yonkers	28,168,402.75
Margarita Annex	255,666.56
Marlton Square	639,166.66
Marlton Square 2nd	121,333.34
Meadow Creek Partners, LLC	78,108.33
Oak Shores II	265,109.71
Palm Harbor One	114,000.00
Preserve at Galleria, LLC	111,785.94
Riviera - Homes for America Holdings, L.L.C.	5,767,361.09
SVRB \$4,500,000	5,260.99
SVRB 2nd \$2,325,000	31,000.00
Urban Housing Alliance	193,336.11

Total Receipts

\$ 55,419,444.19
